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**2005-06 ANNUAL REPORT
COMMUNITY DEVELOPMENT DEPARTMENT
CITY OF ARROYO GRANDE**

Date	9/30	# of pages	6
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INTRODUCTION

California Government Code requires the planning agency of each city and county to prepare an annual report of the general plan by October 1st of each year (Section 65307). The planning agency is responsible for:

- 1) Investigating and making recommendations on reasonable and practical means for implementing the general plan so it will serve as an effective guide for orderly growth and development, preservation and conservation of open space land and natural resources, and the efficient expenditure of public funds related to subjects addressed in the general plan, and
- 2) Providing an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the plan and progress in meeting its share of regional housing needs (Section 65400).

The City of Arroyo Grande adopted the 2001 General Plan Update policy document, including seven elements required by State law and three optional elements, arranged in six interrelated chapters used in this annual report to discuss the status of the General Plan. Each of the following six topics briefly discusses progress made and proposed priorities for further means of implementation.

The comprehensive General Plan Update process required approximately four years and included significant revisions and refinements to community development policy. It reinforced the community's commitments to small town character, protection of its rich environmental and agricultural resources and its desire to enhance economic development while retaining its rural and historic heritage.

Each topic of the annual report briefly discusses progress made and recommended priorities for proposed community development and other means for implementation.

1. AGRICULTURE, OPEN SPACE AND CONSERVATION

With approximately 330 acres of prime farmland soils designated Agriculture within the City limits and the fertile fields of Arroyo Grande and Cienega Valley extending to the northeast and south of the City, this resource was a major focus of General Plan implementation during 2003. The City's Community Development Department prepared a special study: Report on Conservation of Prime Agricultural Resources for the City of Arroyo Grande, adopted by the City Council including:

1. Development Code Amendments (DCA's) to create and apply a 100-foot Agricultural Buffer Overlay District adjoining all Agriculture zoned properties; revised allowable uses and property development standards in the Agriculture zones, and expanded the findings for development, rezoning and/or subdivision applications involving conversion of prime farmland soils to non-agricultural use; and
2. Adopted General Plan Amendments (GPA's) and other implementation programs that include mitigation requirements and buffers for proposed developments in

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Agriculture districts; re-designated four properties involving prime farmland soils zoned Agriculture; developed both Agriculture Conservation Easement (ACE) and Agricultural Enterprise Incentive programs to preserve, promote and benefit local agriculture.

During 2004-5, the City has contracted with the Land Conservancy of San Luis Obispo County to assist refinement and implementation of the ACE program. Initial contacts with strategically located agricultural property owners in and adjoining the City have been made and the City is focused on acquiring one or more permanent ACE agreements during 2005-6, perhaps with State grant or loan assistance.

In 2005-6, the City Council also initiated an additional special study regarding Creek Setback Policy and Development Standard Alternatives to better protect these environmentally sensitive habitat and drainage corridors. A temporary "time-out" for new creekside development applications involving areas within 25 feet of top of bank or riparian vegetation will enable staff and special consultants to formulate the special study. By early 2006 the City will hold public workshops to discuss alternatives and determine possible General Plan Amendments to the Conservation Element and/or revisions to the Development Code for creek protection.

Also during 2005-6, it is recommended that a Conservation/Open Space (C/OS) district be created as part of 2006 Development Code Update for consistency with the General Plan. This new zone and/or C/OS overlay district would then be considered for application to environmentally sensitive areas such as steep slopes, creeks, hillsides, wetlands, woodlands and habitat areas identified by the General Plan or subsequent rezoning, subdivision and development project areas as appropriate.

Future implementation proposals may evolve from ACE and Agriculture Enterprise Incentive program development and C/OS district creation and application. It is probable that C/OS easement acquisition would follow the priority ACE program model, but involve additional funding sources, loans and grants.

2. FRINGE AND URBAN AREA LAND USE

During 2002 and 2003, the City and Local Agency Formation Commission completed Sphere of Influence (SOI) Update as required by State law. The City subsequently allowed several existing mobile home parks adjoining the south edge of the City, and two Residential Suburban tracts north of the City to obtain outside service agreements to help solve water supply problems in those neighboring developments. In 2004-5 the City rezoned and annexed an existing church near the south edge of the City.

In 2004-5, the City conducted a series of workshops and a newsletter opinion survey to guide further specific plan preparation by the landowners' within the Arroyo Linda Crossroads and Williams properties of the SOI.

During 2005-6, the City, County and SLOCOG will continue work on a regional traffic model which will be used by the County to re-evaluate traffic impact fees, particularly in the Fringe areas north and southeast of the City, including portions of Nipomo Mesa. The City and County are starting to review regional traffic impacts on State highways, County roads

and City arterial and collector streets to determine how to better cooperate on correcting circulation deficiencies. In particular, the City is seeking ways to expedite further study and programming of the El Campo interchange with 101 necessary to specific plan the SOI.

Major progress was made during 2004 in the DCA's for Office, Commercial and Industrial district conversion to new Mixed-Use zones. Village, Traffic Way, Gateway, Fair Oaks, Highway, El Camino Real and Office Mixed-Use districts and new Design Guidelines and Standards (DG&S) were adopted. Regional Commercial district Development Code Update was also accomplished.

In 2005-6, the City will be focused on DCA's for Multiple Family and Single Family residential zoning districts. It is anticipated that higher density, revised parking, and new lot size categories will be part of the residential zoning ordinance changes for general plan consistency. The City has also started landscape design guidelines and standards for water conservation, which will be considered concurrently.

Following more than a year of consideration, a Historical Resources Committee (HRC) and a process and criteria for local designation has been adopted. During 2006, the HRC will assist staff with further systematic historical resources inventory, including nominations and notification of specific properties considered most worthy of local recognition. An incentive program including possible Mills Act tax benefits would also be part of 2005-6 proposed programs. After HRC initial meetings, a 2006-7 work program will include additional incentives and recognition plaques to encourage residents and visitors to become more aware of our rich historical heritage.

3. CIRCULATION/TRANSPORTATION

The City is continuing with design and environmental studies for both Brisco/Halcyon and future Traffic Way/El Campo interchange improvement projects, but State budget problems and inadequate regional funding continues to defer construction of these important circulation improvements.

While it may take a decade or more to solve the congestion problems of getting across town or into and out of the regional destinations along the highway, the City has been making major improvements to several of the most important "main street" routes, as summarized below.

East Grand Avenue enhancement plans have been implemented on two segments from 101 to Halcyon and from Elm to Oak Park. The recent reconstruction of the "gateway area" around Courtland and Grand, including landscaped medians, bus turnout and shelter, mid-block bulb-outs and pedestrian rest areas, are being accompanied by new developments. Long's, Santa Lucia Bank, Starbuck's, Subway, Panda Express, Spencer's Market and expanded Dollar Tree are just the start of the new East Grand Avenue commercial projects.

During 2004-5, the City extended the Arroyo Grande creek walk from the swinging bridge to Bridge Street including landscape and parking lot improvements along Olohan Alley. In 2006, the City and Village Improvement Association (VIA) will be resolving a Branch

Streetscape Enhancement Program, including vintage street lights, landscaping, future sound system, storm drainage and pedestrian amenities from Traffic Way to Mason Street with future phased extensions to Crown Hill and on Bridge Street. The South County Historical Society added a museum barn between Heritage House and the Santa Manuela School composing Heritage Square, while Rotary contributed a vintage bandstand in the Nelson Green. New sidewalk and streetscape improvements are also planned for 2006.

In 2006, the City and VIA will consider expansion of the Village Parking and Business Improvement District to better implement a public parking program to keep pace with new commercial developments. Major private projects at the west, north, east and south edges of the existing improvement district are progressing through architectural and development review.

Also in 2006, the City will present recommended cross-sections for local residential, collector and arterial street standards to integrate into the Circulation/Transportation element. When adopted, the sections will then be applied to areas and segments as street reconstruction or restriping is scheduled. Concurrently, a Bike and Pedestrian Circulation Improvement Program will propose priority projects for relatively inexpensive route, lane, trail, path and sidewalk projects, including ADA access, and transit stop and shelter improvements. The creek setback study will include long-term policy and development standards for portions of creek corridors suited to public access trails or crossings.

4. HOUSING

In November 2003, after a year-long effort by a Local Housing Task Force, the Planning Commission and City Council adopted an updated Housing Element. The City committed to establish Mixed Use districts and encourage more medium and high-density residential development, encourage secondary units in single-family neighborhoods, and utilize density bonuses and other incentives to create more affordable, inclusionary housing. In 2005, the City adopted additional Housing Element refinements which achieved State HCD certification. In 2005-6, the City will consider Affordable Housing amendments to the Development Code to implement the new 15% inclusionary and other policy changes.

The results of two years planning are finally becoming apparent within the City, including 2005-6 construction of the following residential projects:

- 108 affordable senior apartment units at Courtland and Grand Avenue.
- 47 new patio homes, including 17 affordable homes were approved in a Planned Unit Development known as Jasmine Place at Courtland and Ash Streets.
- 65 units, including single family and PUD homes, at Farroll Road and Bakeman Lane, adjoining the Soto Sport complex and Elm Street Park, including 16 affordable homes, a pocket park and expansion of adjacent storm drainage ponding basin.
- On the northeast side of freeway 101, two projects were approved: 15 custom homes on Grace Lane will be accompanied by 4 affordable units, and 60 senior condominium units and senior center, including 15 affordable units on Camino Mercado is also under construction.

It should be understood, however, that water resource constraints, traffic impacts and circulation deficiencies, and limited supply of undeveloped residential or mixed use land actually available by willing sellers is slowing continued single family housing production within the City. Future housing opportunities are predominantly higher density mixed use and multi-family developments.

These two required and one optional elements of the 2001 General Plan continue to influence implementation measures. The safety element reminds the City to be prepared for disaster and manage development to reduce risks. The noise element seeks to create more compatible land use, including mixed use, and economic development policies include strategies to enhance revenue generating uses and jobs and housing balance within the City.

Lesser areas of possible flooding on other creeks and local drainage areas are also being improved, including expansion of Poplar Street ponding basin near Courtland Street and East Grand Avenue and new drop inlets and storm drains along Grand Avenue. In 2006, the City will update the Drainage Zone 'A' improvement program.

Regarding the Economic Development Element, in 2004-5, both the Planning Commission and City Council endorsed a strategy to encourage hotel, motel, and visitor services, identifying seven priority sites for special consideration. These are integrated into adopted Development Code Amendments (DCA's) and Design Guidelines and Standards (DG&S) and several are expected to emerge as development projects during the next two years. Specifically, the Hampton Inn and Suites with conference space and a quality restaurant were approved at Camino Mercado and West Branch Street adjoining Freeway 101.

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and a CDBG façade enhancement grant program was expanded from the Village area to portions of East Grand Avenue and Traffic Way. One example of façade improvement is Gill's Market and Service Station at Courtland and East Grand Avenue.

Parking and Business Improvement District (BID) expansion proposals to include all of the Village Core Downtown and most of the Village Mixed Use district have been formulated. In early 2006, the City will conduct public hearings to amend parking provisions of the code, adjust in-lieu fees and develop additional public off-street parking. Similar BID's are being initiated for possible business and/or property owner consideration along key segments of East Grand Avenue to help implement the new Mixed Use DCA's and DG&S including East Grand Avenue Enhancement Plan.

6. PARKS AND RECREATION

The City made major progress during 2004-5 by the completion of Rancho Grande Park on James Way between Rancho Parkway and Rodeo Drive. This new park and recreation facility adds 8.5 acres of improved parkland to the City's inventory and provides the entire community with much-needed additional active and passive recreation space, particularly serving the northwest, Rancho Grande Oak Park and Royal Oak neighborhoods.

To enhance active recreation the City installed night lighting at two of the playfields at Soto Sports Complex.

In 2004, the City made ADA access improvements to the Women's Club Community Center building and in 2005-06, the City will be utilizing Community Development Block Grant (CDBG) funding to prepare a priority list and design handicap access improvements at two park restroom buildings in accordance with ADA requirements. Future CDBG/ADA projects include remaining park restrooms and Elm Street Community Center Building and Soto Sports Complex facilities.

During 2006, a group of community organizations will propose a major new Recreation Center/Gymnasium building called "the Courthouse" on the 5.0 acre City-owned parcel west of the Women's Center Community Building on West Branch Street. Fund raising efforts will follow the design review presentations to enable future construction programming if approved by the City.

As mentioned above, Bike, Pedestrian and Recreational Trail Enhancement programs will be prepared during 2006-07 as refinements to Park and Recreation and Circulation Elements.

